### **BEFORE**

## THE PUBLIC SERVICE COMMISSION OF

#### SOUTH CAROLINA

DOCKET NO. 2000-0149-C - ORDER NO. 2000-580

JULY 19, 2000

		ODDED VIV
Application of Global Connection of South	)	ORDER V
Carolina, Inc. for a Certificate of Public	)	GRANTING
Convenience and Necessity to Provide Local	)	CERTIFICATE
Exchange Telecommunications Services	)	
within the State of South Carolina.	)	
	Carolina, Inc. for a Certificate of Public Convenience and Necessity to Provide Local Exchange Telecommunications Services	Carolina, Inc. for a Certificate of Public  Convenience and Necessity to Provide Local  Exchange Telecommunications Services

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of Global Connection of South Carolina,
Incorporated ("Global Connection" or the "Company") requesting a Certificate of Public Convenience and Necessity to authorize Global Connection to provide local exchange telecommunications services throughout the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1999) and Section 253 of the Telecommunications Act of 1996.

By letter, the Commission's Executive Director instructed Global Connection to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The proposed Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. Global Connection complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC") on May 11, 2000.

On July 5, 2000, counsel for SCTC filed with the Commission a Stipulation in which Global Connection stipulated that it would seek authority in non-rural local exchange ("LEC") service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until Global Connection provided written notice of its intent prior to the date of the intended service. Global Connection also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. Global Connection agreed to abide by all State and Federal laws and to participate to the extent that it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to Global Connection to provide local services provided the conditions contained in the Stipulation are met. The Stipulation was entered into the evidence of the hearing, and the Staff requested that the Stipulation be approved by the Commission. The Stipulation is approved and attached as Order Exhibit 1.

A hearing was commenced on July 6, 2000, at 10:30 a.m., in the Commission's Hearing Room. The Honorable William Saunders, Chairman, presided. Global Connection was not represented by counsel. Jocelyn D. Green, Staff Counsel, represented the Commission Staff.

Sam Abdallah, President and Chief Executive Officer of Global Connection, appeared and testified in support of the Application. According to the record, Mr. Abdallah received a Bachelor's Degree in Engineering from the University of Kansas. As

President and CEO of Global Connection, Mr. Abdallah's primary responsibility is to direct and oversee all departmental heads. Global Connection is a South Carolina corporation that was incorporated on April 7, 2000.

Global Connection intends to offer resold local exchange service to residential customers throughout the State. The record reveals Global Connection intends to resell the services of other LECs on a prepaid basis. The Company's services will be provided twenty-four hours a day, seven days a week. Mr. Abdallah explained the Company's technical, managerial, and financial ability to offer telecommunications services in South Carolina.

Global Connection is certified to provide its services in North Carolina, Georgia, Tennessee, Alabama, and Kentucky. As of the date of the hearing, Global Connection was providing its services in Georgia and Alabama. Mr. Abdallah testified Global Connection has five thousand three hundred customers in Georgia.

The testimony reveals Global Connection has invested in software for its billing, accounting, and customer service departments. The Company's new accounting software, SPT, is capable of issuing a profit and loss statement everyday. The Company also operates a Nortel system that provides automated customer service and billing information to customers. Global Connection produces and distributes its customers' bills. The Company's customer service department center is also staffed by twelve full-time representatives who are available Monday through Friday from 8:00 a.m. until 8:00 p.m. and on Saturdays from 10:00 a.m. until 4:00 p.m. Global Connection's customer service department will answer questions concerning the types of services and rates

associated with those services offered by the Company, monthly statements, problems or concerns pertaining to a customer's current service, and general telecommunications matters. The record reveals the Company's customer service department's telephone number is printed on customers' monthly billing statements. The Company's regulatory contact person is Donovan Hightower.

Mr. Abdallah also provided information regarding the Company's financial ability to offer telecommunications services in South Carolina. The record indicates the Company possesses the financial resources to offer the proposed services. The Company provided a balance sheet dated May 31, 2000, and a profit and loss statement from January through May 2000. According to the balance sheet, as of May 31, 2000, Global Connection's total current assets were \$408,530.18 and its total current liabilities were \$281,088.18. In addition, the balance sheet and profit and loss statement reflect the financial status of Global Connection's parent company Global Connection, Incorporated of America.

Mr. Abdallah also testified that Global Connection has sufficient managerial resources available with which to provide telecommunications services in South Carolina. As President and CEO of Global Connection, Mr. Abdallah's testimony indicates he has a strong organizational and marketing background. Mr. Abdallah is currently the Founder/CEO of South East Dental Care and the Founder/CEO of the Abdallah Management Group, which is involved in the establishment and operation of dental care offices. Donovan Hightower is the Vice President of Sales/Marketing for the Company. One of Mr. Hightower's responsibilities as Vice President of Sales/Marketing

is managing a sales and marketing staff. From August 1997 until July 1998, Mr. Hightower was Sales and Marketing Director at South East Dental Care. The record reveals Mr. Hightower possesses Competitive Local Exchange Carrier Certification and LENS Application Certification. Mr. Mark Mitchell is the Director of Operation and Finance. Mr. Mitchell has a Bachelor of Business Administration from Columbus State University. Prior to becoming employed with Global Connection, Mr. Mitchell was Vice President of Consulting Services at SBT Accounting Systems, Inc. Mr. Bassam Abdallah is the MIS Director of Global Connection. Mr. Abdallah received a Bachelor of Science in Computer Science from DePaul University. As MIS Director of Global Connection, Mr. Abdallah is responsible for the setup and design technical infrastructure and investigating VOIP technologies and forging relationships with the forerunners of data IP networks.

Global Connection request that it be exempt from any record-keeping rules or regulations that might require a carrier to maintain its financial records in conformance with the Uniform System of Accounts. According to the record, Global Connection currently maintains its books of accounts in accordance with Generally Accepted Accounting Principles. In addition, Global Connection requests a waiver of 26 S.C. Code Ann. Regs. 103-631 (1976 and Supp. 1999); the Company requests that it not be required to publish local exchange directories. Global Connection will make arrangements with the incumbent local exchange carrier whereby the names of Global Connection's customers will be included in the directories published by the incumbent local exchange carrier. In addition, Mr. Abdullah testified that it has been the Company's policy to

require customers who wish to have their service terminated to do so in writing only. This policy arose when the Company encountered a problem with a customer whose service was terminated without his permission. Therefore, the Company seeks a waiver of 26 S.C. Code Ann. 103-624.3 (Supp. 1999). Finally, Global Connection requests waivers of any reporting requirements which, although applicable to incumbent LECs, are not applicable to non-facilities based resellers such as Global Connection.

Mr. Abdallah testified further that Global Connection's services will meet the Commission's service standard. Further, the Company intends to abide by all universal service requirements. In addition, the testimony states certification of Global Connection as a CLEC should increase the availability of affordable local exchange service. Finally, Mr. Abdallah's testimony provides that approval of Global Connection's application will be in the public interest by providing increased consumer choice, increased availability, and diversity in the provision of communications services.

Upon consideration of the application and the record from the hearing, the Commission makes the following findings of fact and conclusions of law:

### **FINDINGS OF FACT**

- 1. Global Connection is a South Carolina corporation that was incorporated on April 7, 2000.
- 2. Global Connection wishes to provide local exchange services within the State of South Carolina.

- 3. The Commission finds that Global Connection possesses the technical, financial, and managerial resources sufficient to provide the service requested. S.C. Code Ann. §58-9-280(B)(1) (Supp. 1999).
- 4. The Commission finds that Global Connection's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. §58-9-280(B)(3) (Supp. 1999).
- 5. The Commission finds that Global Connection will support universally available telephone service at affordable rates. S.C. Code Ann. §58-9-280(B)(4) (Supp. 1999).
- 6. The Commission finds that Global Connection will provide services which will meet the service standards of the Commission. S.C. Code Ann. §58-9-280(B)(2) (Supp. 1999).
- 7. The Commission finds that the provision of local exchange service by Global Connection "does not otherwise adversely impact the public interest." S.C. Code Ann. §58-9-280(B)(5) (Supp. 1999).

### **CONCLUSIONS OF LAW**

1. Based on the above findings of fact, the Commission determines that a
Certificate of Public Convenience and Necessity should be granted to Global Connection
to provide competitive intrastate local exchange services within the State of South
Carolina. The terms of the Stipulation between Global Connection and the SCTC
(attached hereto as Exhibit 1) are approved and adopted as a portion of this Order. Any
proposal to provide local services to rural service areas is subject to the terms of the

Stipulation. In accordance with the Stipulation, Global Connection may not provide any local service to a customer located in a rural incumbent LEC's service area, unless or until Global Connection provides such rural incumbent LEC and the Commission, written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. The Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while it conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon a showing of good cause. It is specifically provided that all rights under Federal and State law are reserved to the rural incumbent LECs, and this Order in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications as they may be entitled. If, after notice from Global Connection that it intends to serve a customer located in a rural incumbent LEC's service area, and the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or if the Commission institutes a proceeding of its own, no service may be provided by Global Connection in a rural incumbent LEC's service area pursuant to this Order without prior and further Commission approval.

2. Global Connection shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff and comporting with South Carolina law in all matters. Any proposed change in the rates reflected in the tariff for local services which would be

applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1999).

- 3. Global Connection shall resell or provide the services of only those companies authorized to provide telecommunications services in South Carolina by this Commission.
- 4. Global Connection shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.
- 5. Global Connection shall file annual financial information in the form of annual reports and gross receipt reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, Global Connection shall keep such financial records on an intrastate basis as needed to comply with the annual report and gross receipt filings. Attachment A shall be utilized by the Company to file annual financial information with the Commission. Attachment A is entitled "Annual Report For Competitive Local Exchange Carriers" and this report consists of four pages.
- 6. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In

recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs Global Connection to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association ("SC NENA") with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing services within South Carolina, Global Connection shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

7. The Company shall, in compliance with Commission regulations, designate and maintain authorized utility representatives who are prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the names of the authorized representatives to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

Global Connection shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order.

(Attachment B shall be utilized for the provision of this information to the Commission.)

Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

- 8. Global Connection shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.
- 9. Global Connection requested waivers from certain Commission regulations and requirements. Specifically, Global Connection requested waivers from (1) the requirement found in Rule 26 S.C. Code Ann. Regs. 103-631 (1976 and Supp. 1999) to publish and distribute local exchange directories; (2) any requirement to maintain books and records in compliance with the USOA; (3) any reporting requirements which although applicable to incumbent LECs, are not applicable to nonfacilities-based resellers such as Global Connection; and (4) 26 S.C. Code Ann. Regs. 103-624.3 (Supp. 1999) which permits a customer to notify the telephone utility to terminate his service orally or in writing. The Commission grants the request for waiver from the requirement to publish directories as Global Connection has indicated that it will contract with the local incumbent local exchange company to include the customers of Global Connection in the directory listing of the ILEC directory. Further, the Commission grants Global Connection's request that it be allowed to keep its books and records in accordance with GAAP rather than the USOA. The Commission at this time, however, denies Global Connection's request that it be exempt from any report not applicable to a competitive local provider. This request is too nebulous and speculative to

grant as evidenced by the witness being unable to cite a single reporting requirement from which Global Connection sought a waiver. Global Connection will be subject to the same reporting requirements as all other CLECs. We also deny Global Connection's request for a waiver of 26 S.C. Code Ann. Regs. 103-624.3 (Supp. 1999). Global Connection's customers shall be permitted to notify the Company of their desire to have their service terminated either orally or in writing. Global Connection is directed to comply with all Commission regulations, unless a regulation is specifically waived by the Commission.

10. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

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ATTEST:

Executive Director

(SEAL)

ANNUAL REPORT FOR CO	OMPETITIVE LOCAL F	EXCHANGE CARRIERS
COMPANY NAME:		
ADDRESS:		
CITY:	STATE:	ZIP:
PHONE NUMBER:	FAX NUM	BER:
**If any of this information c	hanges, the Commission	is to be notified at once**
OFFICERS: PRESIDENT: _		
VICE PRESIDI	ENT:	
CONTACT PERSON FOR F	INANCIAL AND REGU	LATORY INFORMATION:
NAME:		
	(PLEASE PRINT O	R TYPE)
CONTACT'S	PHONE:	
**If this person ch	anges, you must notify th	e Commission immediately**

### **COMPETITIVE LOCAL EXCHANGE CARRIERS**

Company Name:		
	Income Statement	
	12/31/2000/or Fiscal Year	

	Current Year-Total	Last Year-Total	SC Intrastate-Current
<u>Particulars</u>	<u>Company</u>	Company	Year
Revenues			
Operating Revenues			
Operating Expenses			
Access and Billing Expenses and Expenses Related to Resale			
Other Local Interconnection Expenses			
Leases Facilities from Other Carriers			
Communications System Operations			
Sales and Marketing	*********		
Administration and General		· · · · · · · · · · · · · · · · · · ·	
Depreciation and Amortization			
Other			
Total Operating Expenses			
Net Operating Income			
Other Income and Expenses		- 170 Miles de des et -	
Nonoperating Income and Expenses (Net)			
Nonoperating Taxes			
Interest			
Extraordinary Items			
Total Other Income and Expenses (Net)			
Net Income			

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### **COMPETITIVE LOCAL EXCHANGE CARRIERS**

Company I	Name:
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## Balance Sheet-Total Company December 31, 2000/or Fiscal Year Ending

Particu <u>lars</u>	Balance at Beginning of Year	Balance at Ending of Year
<u>i artiodidio</u>	0.100.	
Current Assets		
Cash and Cash Equivalents		
Accounts Receivable-Telecommunications		
Accounts Receivable-Other		
Notes Receivable		
Other Receivables		
Materials and Supplies		
Prepaids		
Other Current Assets		
Total Current Assets		
Noncurrent Assets		
Investments		· · · · · · · · · · · · · · · · · · ·
Other Noncurrent		
Deferred Charges		
Total Noncurrent Assets		
Plant Assets		
Telecommunications Plant in Service		
Accumulated Depreciation		
Net Telecommunications Plant in Service		
Other Plant Assets (Net of Depreciation)		
Construction Work in Progress		
Total Plant		
Total Assets		

## **COMPETITIVE LOCAL EXCHANGE ANNUAL REPORT**

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### Balance Sheet-Total Company December 31, 2000/or Fiscal Year Ending

	Balance at Beginning	Balance at Ending of
<u>Particulars</u>	of Year	Year
<u>Current Liabilities</u>		
Accounts Payable		
Advanced Billings and Payments		
Customer Deposits		
Long Term Debt-Current Maturities		
Accrued Liabilities		
Other Current Liabilities		
Total Current Liabilities		
LongTerm Debt		
Long Term Debt		
Obligations Under Capital Leases		
Advances From Affiliated Companies		
Other Long Term Debt		
Total Long Term Debt		
Stockholders Equity	-	
Capital Stock		
Additional Paid in Capital		
Retained Earnings		
Total Stockholders Equity		
Total Liabilities and Stockholders Equity		

## AUTHORIZED UTILITY REPRESENTATIVE INFORMATION

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION REGULATION 103-612.2.4(b) - Each utility shall file and maintain with the Commission the name, title, address, and telephone number of the persons who should be contacted in connection with General Management Duties, Customer Relations (Complaints), Engineering Operations, Test and Repairs, and Emergencies during non-office hours.

General Manager Representative (Please Prin / Telephone Number / Facsimile Number	nt or Type) / / E-mail Address
/	/
/	/
Telephone Number / Facsimile Number	/ E-mail Address
Customer Relations (Complaints) Representa	tive (Please Print or Type)
Customer Relations (Complaints) Representa	/
Telephone Number / Facsimile Number	/ E-mail Address
Engineering Operations Representative (Plea	se Print or Type)
Telephone Number / Facsimile Number	/ E-mail Address
Test and Repair Representative (Please Print	or Tyma)
rest and Repair Representative (Flease Film	/ /
Telephone Number / Facsimile Number	/ E-mail Address
Contact for Emergencies During Non-Office	Hours (Please Print or Type)
/	/
Telephone Number / Facsimile Number	/ E-mail Address
Financial Representative (Please Print or Typ	ne)
Telephone Number / Facsimile Number	/ E-mail Address
Customer Contact Telephone Number for Co	ompany (Toll Free)

If you have any questions, contact the Consumer Services Department (803-896-5230) or Utilities Department at (803-896-5105).

### BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

Docket No. 2000-0149-C

Re:	Application of Global Connection of South	)	
	Carolina, Inc. for a Certificate of Public	)	
	Convenience and Necessity to Provide Local	)	
	Exchange Telecommunications Services in the	)	STIPULATION
	State of South Carolina	)	STIPULATION
		)	

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Global Connection of South Carolina, Inc. ("Global Connection") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose Global Connection's Application. SCTC and Global Connection stipulate and agree as follows:

- 1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Global Connection, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.
- 2. Global Connection stipulates and agrees that any Certificate which may be granted will authorize Global Connection to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.
- 3. Global Connection stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

- 4. Global Connection stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until Global Connection provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Global Connection acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.
- 5. Global Connection stipulates and agrees that, if Global Connection gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then Global Connection will not provide service to any customer located within the service area in question without prior and further Commission approval.
- 6. Global Connection acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.
- 7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and Global Connection, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

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to the extent it may be required to do so by the Commission, in the support of universally available 8. Global Connection agrees to abide by all State and Federal laws and to participate,

telephone service at affordable rates.

9. Global Connection hereby amends its application and its prefiled testimony in this

docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 22 day of \_

Global Connection of South Carolina, Inc.:

South Carolina Telephone Coalition:

M. John Béwen, Jr.
Margaret M. Fox
McNair Law Firm, P.A.
Post Office Box 11390
(803) 799-9800

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V.P. Marketing / Sales

Donovan T. Hightower

Attorneys for the South Carolina Telephone Coalition

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### ATTACHMENT A

# South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.

Chesnee Telephone Company

Chester Telephone Company

Farmers Telephone Cooperative, Inc.

Ft. Mill Telephone Company

Heath Springs Telephone Company Inc.

Home Telephone Company, Inc.

Lancaster Telephone Company

Lockhart Telephone Company

McClellanville Telephone Company

Norway Telephone Company

Palmetto Rural Telephone Cooperative, Inc.

Piedmont Rural Telephone Cooperative, Inc.

Pond Branch Telephone Company

Ridgeway Telephone Company

Rock Hill Telephone Company

Sandhill Telephone Cooperative, Inc.

St. Stephen Telephone Company

West Carolina Rural Telephone Cooperative, Inc.

Williston Telephone Company